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# Foreign CROPS AND MARKETS

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VOLUME 60

NUMBER 2

WORLD FLAXSEED PRODUCTION (Page 19)

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FOR RELEASE

MONDAY

JANUARY 9, 1950

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF FOREIGN AGRICULTURAL RELATIONS  
WASHINGTON 25, D.C.

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L A T E   N E W S

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East China Foreign Trade Control Board has established the following prices for tung oil exports: The c.i.f. price New York for tung oil in bulk or drums shall not be less than 24 U.S. cents per pound. For London, Hong Kong, and San Francisco, the price will not be less than 26 U.S. cents per pound. Revisions will be made in case of market fluctuations. Foregoing quotations do not include commission which may be added to base price. Settlement of foreign exchange for tung oil exports shall be in accord with this quotation. Various districts including south China, north China, and Shantung, and the Shanghai branch Bank of China have been notified of price standard.

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According to Bombay newspaper accounts the Deputy Chief Controller of Imports and Exports at Bombay has circularized the cotton textile mills on their requirements of United States cotton. The estimates were to be furnished by December 31, 1949 to enable the Government of India to issue licenses for the importation of a limited quantity of such cotton. Licenses would be valid until March 31, 1950.

(Continued on Page 27)

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FOREIGN CROPS AND MARKETS

Published weekly to inform producers, processors, distributors and consumers of farm products of current developments abroad in the crop and livestock industries, foreign trends in prices and consumption of farm products, and world agricultural trade. Circulation of this periodical is free to those needing the information it contains in farming, business and professional operations. Issued by the Office of Foreign Agricultural Relations of the U.S. Department of Agriculture, Washington 25, D.C.

## WORLD FLAXSEED PRODUCTION EXCEEDS EARLIER EXPECTATIONS 1/

World flaxseed production for 1949 is estimated at 133.4 million bushels, about 3 percent less than last year's harvest, according to the latest information available to the Office of Foreign Agricultural Relations. All North American flaxseed crops are smaller than a year ago, but the decreases are offset to a great extent by increases in Europe, South America, Africa, and Oceania. Indications are that the Soviet Union has a sizeable increase in both acreage and production.

Canada's flaxseed estimate is 2.3 million bushels compared with 17.7 million in 1948. Mexican production of 1.8 million bushels is somewhat larger than earlier reports signified, but the 1948 output has been revised downward.

The United States 1949 flaxseed crop is now placed at 43.7 million bushels, and the 1948 estimate has been revised upward to more than 54.5 million bushels. This is the third successive year that the United States has held first place in the production of flaxseed.

European production, amounting to 9.5 million bushels, is 12 percent greater than in 1948. Belgium, Czechoslovakia, Greece, Hungary, The Netherlands, and Sweden produced larger flaxseed crops in 1949.

Asia's flaxseed crops are only slightly less than in 1948. The decrease is in the minor producing countries. India's crop of 17.6 million bushels is the largest since prewar. Pakistan produced 480,000 bushels of flaxseed compared with 520,000 in 1948.

According to a preliminary forecast, South American flaxseed output in 1949 is larger than a year ago. The Argentine crop is unofficially estimated at 25 million bushels. Last year's crop was less than 20 million, reflecting drought, heavy abandonment, and low yields. The IAPI will pay producers 34 pesos per 100 kilograms (\$2.57 per bushel) for new-crop seed. This is an increase of 4 pesos (\$0.30 per bushel) over the price paid for the past two seasons and came as a surprise considering the heavy surplus of both flaxseed and linseed oil. No export price for seed has been announced, but the linseed oil price is 1,650 pesos per metric ton (about 15.5 cents per pound converted at the preferential exchange of 483.21 pesos to 100 U.S. dollars) f.o.b., Buenos Aires.

Uruguay's 1949 flaxseed production forecast of 3.9 million bushels is unchanged but may be revised downward since acreage is now officially estimated at 457,000 acres, about 5 percent smaller than reported earlier in the season.

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1/ A more extensive statement may be obtained from the Office of Foreign Agricultural Relations, United States Department of Agriculture, Washington 25, D. C.



<b>ASIA</b>														
Turkey 3/	48:	47:	72:	183:	211:	7-3:	6-7:	10-4:	9-8:	6-0:	349:	315:	748:	1,795:
India 5/9/	3,885:	3,334:	3,259:	3,977:	3,877:	4-7:	4-4:	4-0:	4-3:	4-5:	18,096:	14,520:	13,120:	17,540:
Pakistan 10/	-	-	76:	74:	74:	-	-	6-8:	7-0:	6-5:	-	-	520:	520:
Japan 3/	50:	67:	75:	64:	-	4-2:	-	-	3-1:	-	211:	-	-	197:
Total (excl. U.S.S.R. and China) 8/	4,075:	3,685:	3,730:	4,515:	4,455:	-	-	-	-	-	18,925:	15,520:	15,180:	20,045:
<b>SOUTH AMERICA</b>														
Argentina	6,077:	3,798:	3,339:	3,212:	3,000:	9-8:	10-7:	11-1:	6-1:	8-3:	59,571:	40,706:	37,104:	19,684:
Brazil	-	-	-	-	-	-	-	-	-	-	-	591:	512:	787:
Chile 3/	5:	13:	13:	19:	-	8-2:	13-3:	13-4:	12-9:	-	11/ 37:	170:	168:	241:
Uruguay	407:	300:	561:	522:	457:	9-6:	9-5:	7-0:	8-6:	8-6:	3,894:	2,843:	3,862:	4,495:
Total 8/	6,570:	4,185:	3,975:	3,845:	3,560:	-	-	-	-	-	64,035:	44,315:	41,650:	25,210:
<b>AFRICA</b>														
Algeria	-	-	1:	59:	240:	-	-	-	6-6:	-	-	-	-	394:
Egypt 3/	7:	4:	11:	22:	21:	12-4:	12-0:	12-9:	14-0:	14-5:	87:	47:	136:	312:
French Morocco	51:	32:	74:	121:	297:	7-1:	7-4:	5-3:	10-1:	8-2:	362:	238:	394:	1,228:
Total 8/	65:	90:	90:	250:	730:	-	-	-	-	-	500:	520:	565:	2,185:
<b>OCEANIA</b>														
New Zealand	1:	12:	19:	10:	8:	14-2:	9-8:	7-5:	16-8:	-	17:	120:	140:	160:
Total 8/	1:	12:	25:	30:	45:	-	-	-	-	-	17:	175:	195:	395:
World total (excl. China) 11/	19,570:	14,730:	17,460:	20,920:	20,600:	-	-	-	-	-	133,555:	105,650:	131,000:	149,680:

1/ Harvests of the Northern Hemisphere countries are combined with those of the Southern Hemisphere which immediately follow; thus the crop harvested in the Northern Hemisphere countries in 1949 is combined with the Southern Hemisphere harvest which began late in 1949 and ends early in 1950. 2/ Preliminary. 3/ Acreage includes area for fiber. 4/ Includes acreage utilized for combined plantings but excludes acreage planted for fiber production only. 5/ Average of less than 5 years. 6/ Sown area. 7/ Flax and hemp. 8/ Includes estimates for the above countries for which data are not available and for minor producing countries. 9/ Officially reported figures plus Indian official estimates for unreported tracts except in the years 1946-49 inclusive, when no estimates for unreported tracts were available. 10/ Prior to 1947 figures for India include Pakistan. 11/ 1935 only.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States foreign service officers, results of office research, or other information. Prewar estimates for countries having changed boundaries have been adjusted to conform to present boundaries.

African output is more than double that of 1948. Morocco harvested its second largest flaxseed crop, 2.4 million bushels from 297,000 acres. It is possible that Algeria has a record flaxseed output since acreage is more than four times that of 1948.

Flaxseed plantings are expected to set a new record in Australia. An unofficial estimate is 35,000 acres compared with 19,400 in 1948. The increase is in response to the large requirements for linseed oil to be used in the manufacture of paints, varnishes, and linoleum.

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This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report, the Committee was composed of Joseph A. Becker, Chairman, Paul E. Quintus, Regina H. Boyle, Helen Francis, and Dwight R. Bishop.

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## COMMODITY DEVELOPMENTS

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### TOBACCO

#### PHILIPPINE IMPORTS OF TOBACCO PRODUCTS RESTRICTED

Philippine imports of tobacco products are to be reduced under the provisions of a Government Order restricting the importation of articles classed as luxury or non-essential, the American Embassy in Manila reports. This action apparently was taken in an effort to conserve foreign exchange and also to protect domestic industry.

Executive Order No. 295 of the Philippine Government which became effective December 1, 1949, limits imports of articles covered by the Order to a fixed percentage of the 1948 level. Cigar imports are limited to only 5 percent of the 1948 level and all other manufactured tobacco products to 20 percent. Import licenses will be required for all imports. The country's Import Control Board will allocate quotas among importers on the basis of their 1948 imports.

Imports of manufactured tobacco products into the Philippines during 1948 consisted of 11,080,382,000 cigarettes, 1,225,978 pounds of chewing tobacco, 515,530 pounds of smoking tobacco and 2,846 pounds of other tobacco products. Practically all imports came from the United States.

#### ITALY'S TOBACCO PRODUCTION DECLINES

Italy's 1949 production of leaf tobacco is estimated at 16 percent below the 1948 harvest, according to the American Embassy in Rome.

The country's 1949 tobacco crop is provisionally estimated by the Italian Tobacco Monopoly at 120.4 million pounds from 132,816 acres. This compares with 143.3 million pounds from 144,128 acres in 1948 and 151.2 million pounds from 145,048 acres in 1947. The 1949 average yield per acre of 906 pounds was 9 percent below the 1948 yield of 994 pounds and 13 percent below the 1947 yield of 1,043 pounds.

The estimated 1949 production has been classified by the Monopoly into 6 types. Kentucky type fire-cured leaf was the principal type produced and accounted for 36 percent of the total production in 1949, compared with about 32 percent in 1948 and 33 percent in 1947. Production of this type in 1949 totaled 43.4 million pounds from 39,536 acres. In addition to Kentucky-type leaf, Italy, in 1949, produced 39.7 million pounds of oriental, 13.2 million pounds of flue-cured, 11 million pounds of Burley, 7.5 million pounds of Sub-tropical and 5.5 million pounds of Maryland type leaf.

#### SWITZERLAND'S TOBACCO PRODUCTION LOWER

Switzerland's 1949 tobacco harvest is estimated at 42 percent below the 1948 crop, according to the American Legation in Bern.

Production of leaf tobacco in 1949 is estimated by Switzerland's Division of Agriculture at 2.2 million pounds from 2,422 acres, compared with 3.8 million pounds from 2,422 acres in 1948 and 5.7 million pounds from 2,903 acres in 1947. The 1949 yield per acre of 910 pounds was 43 percent below the 1948 yield of 1,583 pounds and 52 percent below the 1947 yield of 1,897 pounds. Practically all tobacco grown in Switzerland is from Italian seed and is similar to the Italian dark types. Domestic production has never been large and meets only about 10 percent of the country's total tobacco requirements.

#### LIVESTOCK AND ANIMAL PRODUCTS

#### CANADA ANNOUNCES NEW U.K. BACON CONTRACT AND PLAN TO SUBSIDIZE PRODUCTION

Canada recently announced consummation of the 1950 bacon contract with the United Kingdom for 60 million pounds at 29 cents a pound. This quantity is considerably below the 160 million pounds and the 36 cents stipulated in the 1949 contract. Last year's deliveries, according to estimates, may reach 100 million pounds, considerably short of the original target.

The new contract price is  $3\frac{1}{2}$  cents below Canada's announced floor price of  $32\frac{1}{2}$  cents per pound. Beginning January 2, and continuing to July 1, 1950, the Canadian Meat Board will buy Grade A Wiltshire sides at \$32.50 per hundred delivered at seaboard for shipment to the United Kingdom. The difference of  $3\frac{1}{2}$  cents between the contract price of 29 cents and the purchase price of  $32\frac{1}{2}$  cents represents a subsidy to the producer to be paid by the Canadian Meat Board.

Although the contract covers 1950, it is very probable that the quantity stipulated may be reached before the end of the year. It is now anticipated that inspected slaughter in early 1950 will be larger than originally expected. Hog slaughter for the first quarter may be 25 percent greater than for a similar period in 1949. The United Kingdom has been, and continues to be, the principal outlet for Canada's surplus bacon.

#### FRANCE DECONTROLS PRICE OF CERTAIN MEATS

French decrees published December 18 set up new retail price schedules for certain meats. Prices of horse meat, pork and pork products, controlled since 1945, are no longer under control. Veal, with the exception of two cuts (breast and leg) are now decontrolled. New prices for the two cuts of veal are reported to represent a reduction of about 6 percent from the market price. Mutton and beef, on the other hand, continue to be restricted.

The removal of these meats from price control is expected to have little effect on the price levels, particularly on pork and pork products. The prices for these products have dropped considerably during the past two months and in some instances were below the former fixed prices.

#### URUGUAYAN WOOL MARKET ACTIVE IN DECEMBER

Approximately 5,000 bales of wool a week were exported during the month of December at prices 10 percent greater than the previous monthly average. Sales of 7,251 bales during the week of December 12 to 17 were the largest for any week since 1945. Of this total the United States took 5,858 bales.

Since the beginning of the wool season on October 1, a total of 29,394 bales of wool (average weight 1,054 pounds) have been sold, with the United States purchasing 18,996 bales.

Current quotations in Montevideo for standard grades of wool are approximately 59 cents per pound, grease basis. Traders are optimistic and because of the importance of wool in the national economy, the satisfactory sales have served as a stimulus to many fields of business.

COTTON AND OTHER FIBERCOTTON-PRICE QUOTATIONS  
ON WORLD MARKETS

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, and the  
U. S. gulf-port average

Market location, kind, and quality	Date 1950	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound
<u>Alexandria</u>		:Kantar	:	:	:
Ashmouni, Good.....	1-5	: 99.05 lbs.	:Tallari	: 74.25	: 43.04
Ashmouni, F.G.F. ....	"	: "	: "	: 72.00	: 41.74
Karnak, Good.....	"	: "	: "	: 82.15	: 47.62
Karnak, F.G.F. ....	"	: "	: "	: 75.65	: 43.85
<u>Bombay</u>		:Candy	:	:	:
Jarila, Fine.....	"	: 784 lbs.	:Rupee	: 1/ 620.00	: 16.50
Broach Vijay, Fine.....	"	: "	: "	: 1/ 690.00	: 18.37
<u>Karachi</u>		:Maund	:	:	:
4F Punjab, S.G., Fine.....	1-4	: 82.28 lbs.	: "	: 77.00	: 28.23
289F Sind, S.G., Fine.....	"	: "	: "	: 84.00	: 30.80
289F Punjab, S.G., Fine,..	"	: "	: "	: 85.00	: 31.17
<u>Buenos Aires</u>		:Metric ton	:	:	:
Type B.....	1-5	: 2204.6 lbs.	:Peso	: 1/4000.00	: 37.55
<u>Lima</u>		:Sp. quintal	:	:	:
Tanguis, Type 5.....	1-4	: 101.4 lbs.	:Sol	: (not quoted)	:
Pima, Type 1.....	"	: "	: "	: 405.00	: 27.50
<u>Recife</u>		:Arroba	:	:	:
Mata, Type 4.....	1-5	: 33.07 lbs.	:Cruzeiro	: 170.00	: 27.97
Sertao, Type 5.....	"	: "	: "	: (not available)	:
<u>Sao Paulo</u>		:	:	:	:
Sao Paulo, Type 5.....	"	: "	: "	: 188.00	: 30.93
<u>Torreon</u>		:Sp. quintal	:	:	:
Middling, 15/16" .....	"	: 101.4 lbs.	:Peso	: 215.00	: 24.53
<u>Houston-Galveston-New</u>		:	:	:	:
Orleans av. Mid. 15/16" ...	"	:Pound	:Cent	: XXXXX	: 30.57

Quotations of foreign markets reported by cable from U. S. Foreign Service posts abroad. U. S. quotations from designated spot markets.

1/ Nominal - ceiling prices.

TROPICAL PRODUCTSPAKISTAN PLANS TO  
EXPAND TEA PRODUCTION

Pakistan is embarking on a program to increase its annual tea production by 5,000,000 pounds to a total annual production of about 50,000,000 pounds according to the American Embassy in Karachi. The present tea area amounts to 74,000 acres, but Pakistan is allocated 76,700 acres under the extended International Tea Agreement.

The decision to expand tea production was reached at the Pakistan Tea Conference held in December. Improvement of existing tea gardens, rehabilitation of abandoned estates, and bringing suitable extra acreage under cultivation were suggested.

The Conference also discussed the foreign and domestic market for Pakistan's tea and the development of tea storage and marketing facilities at Chittagong. The United Kingdom, which purchased 30 million pounds of tea from Pakistan in 1949, will continue to be regarded as the best customer, but efforts will be made to export larger quantities of Pakistan's tea to the Middle East and to increase the proportion of domestic tea in popular blends consumed within Pakistan.

FATS AND OILSBRITISH MINISTRY OF FOOD BUYS  
WHALE OIL AT \$200 PER SHORT TON

The British Ministry of Food is reported to have contracted for the purchase at £80 per long ton (\$200 per short ton) c. & f. British ports, of all the whale oil output of Whaling Company Limited of South Africa during the current whaling season. Likewise, this is the price for the contracted purchase of the entire output of the British whaling companies and, in addition, 50,000 long tons of Norwegian production. The Dutch, who contracted for their purchases of whale oil somewhat later, are paying £87 per ton (\$218).

These contracted prices may be regarded as a fair indication of the world price for whale oil as there is no appreciable quantity of uncontracted oil available and there are, therefore, but few sales. There are occasional quotations of £85 to £90 per ton (\$213 to \$225) but these prices tend to be nominal.

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The directive, however, makes it clear that the sale of United States cotton will not be permitted except with the prior permission of the Textile Commissioner to the Government of India.

Although official confirmation is not available, both the cotton trade and the textile industry expect that between 200,000 and 300,000 bales of United States cotton will be licensed in this first period.

